



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT

Division of Economic Support

Bureau of Work Support Programs

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

FROM: Stephen M. Dow
Policy Analysis & Program Implementation Unit
Work Programs Section

BWSP OPERATIONS MEMO

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Date: 05/24/2000

Non W-2 ☒ **W-2** ☒ **CC** ☒

PRIORITY: URGENT

**SUBJECT: 1. AFDC RECOUPMENT FROM W-2 PAYMENTS
2. BENEFIT RECOVERY ADDRESS PROCESS**

CROSS REFERENCE: CARES Guide

PURPOSE

This memo describes changes regarding:

1. Recoupment of a Wisconsin Works (W-2) payment for Aid to Families with Dependent Children (AFDC) overpayments.
2. Enhancements to the repayment agreement process
3. Addresses for individuals with outstanding overpayments.

BACKGROUND

Federal regulations require DWD to take all reasonable steps necessary to recover overpayments. § 49.161, Wis. Stats., allows for recoupment from an individual who continues to receive a W-2 cash payment for W-2 overpayments.

§ 49.19, Wis. Stats., also allows for recoupment from an individual who received an AFDC overpayment, however recoupment must come from the AFDC benefit. AFDC benefits were discontinued. Therefore, recovery of AFDC overpayments has been limited.

DWD Legal Counsel has advised that recoupment from W-2 cash payments for an AFDC overpayment can occur ONLY if the participant agrees to have his/her W-2 allotment reduced. Individuals can now select this repayment option on the AFDC repayment agreement (RPA). AFDC repayment agreements have been revised to include these repayment options:

1. Monthly installments.
2. W-2 payment reduction of 10 percent or \$10 dollars, whichever is greater.
3. W-2 payment reduction greater than 10 percent. The elected percentage must be indicated.
4. Payment in full.

Persons with AFDC overpayments must select and initial at least 1 of the repayment options. Failure to complete the repayment agreement and make repayment arrangements may result in additional collection action and or tax offset.

A person selecting the recoupment option from W-2 cash payments will have tax offset suspended, along with any other collection action, as long as s/he is receiving a W-2 payment.

Those selecting monthly installments or payment in full must comply with the terms of the agreement. Failure to comply with the agreement will result in additional collection action.

Two other enhancements related to RPAs were done at the same time:

- The RPA on BVPA is end-dated when recoupment is taking place. Clients occasionally wish to make payments in addition to the recoupment process and workers requested a way to record the agreement. Workers were unable to record the agreement, as the RPA was end-dated and no updates were allowed to BVPA. Workers will now be able to record these RPA's even when the case is open and recoupment is occurring.
- Workers had to maintain multiple addresses when a client had more than one RPA (for example, FS and W-2). This resulted in clients having many different addresses and staff not having the correct address for clients. Workers will now be able to go to one benefit recovery screen to update the address (see the BVAI information below for more detail).

PAYMENT AGREEMENT: BVPA

This transaction is used to record all returned repayment agreements. BVPA stores all repayment information for all claims an individual is liable for in 1 program of assistance.

Repayment agreements can be renegotiated at any time. Repayment agreements will be automatically re-issued when a case closes or opens for a program of assistance for which a current repayment is in affect. Individuals selecting the recoupment option for AFDC overpayments from W-2 cash payments must indicate this selection on BVPA. Workers must record the repayment options properly on BVPA. Failure to make the appropriate entries on BVPA may result in incorrect collection action for the participant.

BVPA	REPAYMENT AGREEMENT	05/22/00 08:02
UPDATED DATE: 05 01 01 UPDATED BY:		XCT112 N KONRATH
PROGRAM CODE: ADC CURRENTLY RECOUPING: N		
DC : __ DUNNING NUMBER: 3 NOTIFIED CASE: 2700195922		
PIN: 2100418670 NAME: MAGGIE MARSH	SSN: 576132131	
DELINQUENCY DATE: 04 01 2001		REFERRED TO CRES DATE: 04 01 2001
SENT DATE : 12 01 2000 RECEIVED DATE: __ __ __	END DATE:	
PAY METHOD: __ INSTALLMENT AMT: _____	NEXT INST DATE: 05 25 2001	
AFDC RECOUP FROM W2: _ AFDC RECOUP FROM W2 UPDATED DATE/BY:		
CLAIM NUM ERR RA CLAIM NUM ERR RA CLAIM NUM ERR RA CLAIM NUM ERR RA		
4100004614 CE Y		
PFKEYS: 18=BVCI 19=BVAI 20=BVCP 23=CNHS 24=PROCESS		
NEXT TRAN: ____ PARMS: 2100418670/ADC_____		

BVPA will no longer include the addresses for an individual. See BVAI for addresses.

New fields are highlighted.

"Currently recouping: N/Y":

No entry is required. This field is CARES-generated and is an informational field only. If the program of assistance is open as of the current date, the switch will be set to "Y".

"AFDC Recoup from W2:"

An "N" or "Y" entry is required for AFDC claims. This field must be completed for all returned repayment agreements for AFDC overpayments. This field will be protected for non AFDC claims. If "Y" is selected, the payment method and installment amount are optional fields.

"Updated Date/By:"

This field is populated by CARES when the "AFDC Recoup from W-2" field is entered.

All individuals currently receiving W-2 cash payments with AFDC overpayments will receive a new repayment agreement effective June 1, 2000. Those individuals will be required to complete the agreement, select the repayment option, and return the agreement to the office listed on the agreement no later than the 25th of the month. Those selecting the monthly installment amount or lump sum must return their first installment or lump sum payment with the agreement.

STANDARD REPAYMENT AGREEMENT: BVSL

New repayment agreements are issued under BVSL. BVSL now requires the office of the worker initiating the repayment agreement to be listed in the PARMS. This allows the issuance of the agreement under the correct worker and office regardless of where the individual is now located [i.e., NEXT TRAN: BVSL PARMS: 2100418670/ADC/5006 (i.e., Pin/Program/Office)].

ADDRESSES FOR AN INDIVIDUAL: BVAI

BVAI is a new screen accessed by PIN to maintain the address for repayment agreements, dunning notices, and repayment summaries. When the initial RPA is sent, the address will first be ACMA if present, otherwise it will be ACCH. BVAI will be available after BOM with that address. Any changes to ACMA or ACCH will update BVAI through the BOM cycle. Workers can also update BVAI.

Once a BVAI screen is created, additional RPAs, dunning notices, or repayment summaries will be sent to the most recently updated address from ACMA, ACCH, or BVAI (this is determined by the "Updated Date" field on these screens.)

Once a case is closed, BV workers can use BVAI to update the address in order to send the BV notices to the correct address.

BVAI	BENEFIT RECOVERY REPAYMENT ADDRESS	05/22/00 07:38
UPDATED DATE: 12 01 00 UPDATED BY:		XCT112 N KONRATH
PIN: 2100418670 NAME: MAGGIE MARSH		SSN: 576132131
<p>NUMBER UNIT DIR ST/RURAL RT/BOX# SUF QUAD APT</p> <p>ADDRESS: 777 _____ E_ WISCONSIN _____ AVE_ _____</p> <p>CITY: MILWAUKEE _____ STATE: WI ZIP: 53202 _____</p>		
<p>PFKEYS: 18=BVCI 19=BVAD</p> <p>NEXT TRAN: _____ PARMS: 2100418670 _____</p>		

REPAYMENT SUMMARY NOTICES

Repayment summary notices are generated by program to individuals making monthly payments to reduce their outstanding debts. Individuals will receive a repayment summary notice for all payments recorded in the benefit recovery subsystem. If an individual makes a partial payment, s/he will receive both a repayment summary notice and a dunning notice. Keep in mind that after 3 dunning notices, individuals are referred to the collection system for additional collection action. This referral is noted on BVPA "Referred to CRES".

CONTACT

DES CARES & Policy Call Center Email: carpolcc@dwd.state.wi.us
 Telephone: (608) 261-6317 (Option #1)
 Fax: (608) 261-6968

Note: Email contacts are preferred. Thank you.